

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



Director, Program Policy Division
Bureau of Medicaid Policy and Health System Innovation

Project Number:	1508-Pharmacy	Comments Due:	April 28, 2015	Proposed Effective Date:	July 1, 2015
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Policy Subject: Documentation Requirements for Pharmacy Providers

Affected Programs: Medicaid, Healthy Michigan Plan, Children's Special Health Care Services (CSHCS), Maternity Outpatient Medical Services (MOMS)

Distribution: Pharmacy Providers

Policy Summary: This addition to the Michigan Department of Community Health's (MDCH) current pharmacy audit policy was requested by the Office of Health Services Inspector General to support the ability of MDCH to recover funds after an inventory audit where there is insufficient documentation of inventory and purchase histories.

Purpose: The purpose of this policy is to clarify MDCH's documentation requirements for pharmacy providers.

Proposed Policy Draft

Michigan Department of Community Health
Medical Services Administration

Distribution: Pharmacy Providers

Issued: June 1, 2015 (Proposed)

Subject: Documentation Requirements for Pharmacy Providers

Effective: July 1, 2015 (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan, Children's Special Health Care Services (CSHCS), Maternity Outpatient Medical Services (MOMS)

The purpose of this policy is to clarify the Michigan Department of Community Health's (MDCH) documentation requirements for pharmacy providers. In addition to all other documentation required under state law, federal law, and MDCH policy, pharmacy providers must maintain invoices, manufacturer and/or wholesaler sales records, distributor delivery records to the provider, inventory transfer records, provider payment records, and all other records necessary to support the size and quantity of the goods paid for by Medicaid during the audit/review period. Failure to do so will result in the recoupment of pharmacy funds related to unsupported Medicaid claims.

In the event inventory for any such product cannot be substantiated through reliable documentation for the beginning of the audit/review period, MDCH may assume that the beginning and ending inventory quantities are the same for that product. For the purposes of this policy, the "audit/review period" shall be a period defined by MDCH.